

CHAPTER 30

DEBT COLLECTION BY INVOLUNTARY SALARY AND ADMINISTRATIVE OFFSET3001 STATUTORY AUTHORITY

300101. Salary Offset Under 5 U.S.C. 5514, Installment Deduction for Indebtedness to the United States. Creditor organizations will use 5 U.S.C. 5514 (reference (t)) as the statutory authority to collect member's and employee's debts by salary offset when salary or administrative offset are not specifically authorized or required by other, more specific, statutes. Debtors whose debts are being collected under this authority will be given opportunities for oral or administrative hearings regarding the validity and amount of debts, or offset schedules established other than by agreement with the debtors. Provisions in this Regulation for salary offset and hearings specifically required by reference (t) are not required for debts being collected under other statutory authority covered in this Regulation.

300102. Requirement To Use 31 U.S.C. 3716, Administrative Offset Procedures. Creditor organizations will use administrative offset requirements of 31 U.S.C. 3716 (reference (o)) when collecting debts by administrative offset under the following statutes which specifically authorize or require administrative offset. Reference (o) administrative offset requirements apply to collections under any other statutes authorizing or requiring administrative offset to the extent such procedures are not included in those statutes.

A. 5 U.S.C. 5705, Advancements and Deductions (civilian employees) (reference (t)).

B. 10 U.S.C. 2775, Liability of Members for Damages to Housing and Related Equipment and Furnishings (reference (l)).

C. 37 U.S.C. 1007, Deduction From Pay (military members) (reference (bc)).

300103. Administrative Offset Under 5 U.S.C. 5705, Advancements and Deductions. When making collections of unearned advance per diem or mileage allowances, civilian employees will be given an opportunity to immediately pay

the amount due. If immediate payment is not made, full offset which does not cause undue financial hardship will be automatically made against accrued pay, retirement credit, or any other amount due the civilian employee from the United States. If the civilian employee does not pay, or there is no amount available for offset, all other appropriate debt collection provisions of this Regulation will be followed. The requirements for immediate repayment of unearned advances of per diem and mileage allowances will be explained at the time the advances are made. Explanation of the requirement will fulfill requirements of the initial demand letter should automatic deduction become necessary. Hearings are not required. Debts will be reconsidered upon request of debtors.

300104. Administrative Offset Under 10 U.S.C. 2775, Liability for Damages to Housing and Related Equipment and Furnishings. Hearings are not required for debts being collected by administrative offset from members under 10 U.S.C. 2775 (reference (l)). All other provisions of this Regulation except salary offset under 5 U.S.C. 5514 (reference (t)) apply to collecting these debts. These debts will be reconsidered on request of debtors.

300105. Administrative Offset Under 37 U.S.C. 1007, Deductions From Pay. Administrative offset under 37 U.S.C. 1007 (reference (bc)) is authorized for amounts administratively determined to be owed a DoD Component by a member. Except where there are questions of debt validity or truthfulness, oral or administrative hearings are not required for debts being collected by administrative offset under this statute. Policies for collecting routine pay adjustments under this statutory authority are in Volume 7 of this Regulation.

300106. Offset Under Statutes Not Specifically Covered. Nothing contained in this Regulation will prevent a DoD Component from pursuing collection under any statutory authority not specifically covered herein.

3002 REQUIREMENTS FOR INVOLUNTARY SALARY AND ADMINISTRATIVE OFFSETS

300201. General. Creditor organizations will collect debts by salary or administrative offset in every instance that such collection is feasible and is not otherwise prohibited and the debtor refuses to pay the debt in lump sum or agree to a voluntary payment schedule acceptable to the creditor organization. DoD Components have discretionary authority to accept voluntary payment agreements rather than offset salaries. If debts are delinquent and their existence and amount are not in dispute, maximum permissible amounts that will not cause undue financial hardship on debtors or be against equity and good conscience, will be offset from salaries. DoD Components will use sound discretion when collecting debts by administrative offset from non-salary amounts. Consideration will be given not only to whether the offset can be accomplished both practically and legally, but also whether offset is best suited to further and protect all interests of the DoD and the United States. Salary and administrative offset are permitted for debts owed a DoD Component or another federal agency.

300202. Time Limits. Action will not be initiated to collect debts by involuntary salary or administrative offset more than 10 years after the right to collect a debt first accrued unless facts material to the right to collect the debt were not known and could not reasonably have been known by the responsible DoD Component official. When the right to collect a debt first accrued is determined according to existing law such as 28 U.S.C. 2415 (reference (u)).

300203. Non-Waiver of Rights - Involuntary Payments Under 5 U.S.C. 5514. A debtor's involuntary payment of all or part of a debt being collected under reference (t) authority will not be construed as a waiver of any rights the debtor may have under that statute or any other provisions of law unless there are statutory provisions to the contrary.

300204. Scheduling Offset. Salary deductions will begin the next established pay period after receipt of offset requests, with appropriate claim forms and debt certification as specified in paragraph 300404 of this chapter, from DoD

creditor organizations or the Defense Manpower Data Center. Salary deduction may begin in a later pay period upon request by a creditor organization. Administrative (non-salary) amounts will be offset when they become due and payable to the debtor giving consideration to administrative offset requirements in paragraph 300201 of this chapter.

300205. Maximum Allowable Current-Salary Offset. Organizations collecting debts will ensure undue financial hardship is not imposed on debtors. Maximum allowable offsets from members' current pay are specified in Volume 7 of this Regulation. Involuntary current-salary offset under 5 U.S.C. 5514 (reference (t)) authority will not exceed 15 percent of disposable pay. Offsets under the authority of section 124 of Public Law 97-276, 5 U.S.C. 5514 note (reference (t)) will not exceed 25 percent of the pay from which the deduction is made, unless the deduction of a greater amount is necessary to make the deduction within the period of anticipated employment.

300206. Determining Disposable Pay. Organizations will use policies in this paragraph to compute disposable salary when taking involuntary offset against an employee's current salary. The amount of salary (pay) used in the computation will be total current basic, special, incentive, retired, and retainer pay, consultant's fees, and any other authorized pay. Disposable salary (pay) will be computed by making the following deductions.

A. Amounts withheld from benefits payable under Title II of the Social Security Act where withholding is required by law.

B. Federal income taxes.

C. Amounts mandatorily withheld for the United States Soldiers' and Airmen's home.

D. Fines and forfeitures ordered by a court-martial or by a commanding officer.

E. Amounts withheld for federal, state, and local income taxes if the withholding is authorized or required by law and if amounts withheld are not greater than would be the case if the debtor claimed all dependents, as defined in the federal, state, and local tax codes, to which

entitled. For computing disposable pay, no additional federal tax amounts will be deducted unless the debtor presents evidence of a tax obligation supporting the additional deduction.

F. Amounts withheld as health insurance premiums including, but not limited to amounts deducted from civil service annuities for Medicare where such deductions are requested by the Health Care Financing Administration.

G. Amounts deducted as normal retirement contributions including Survivor Benefit Plan and Retired Serviceman's Family Protection Plan deductions. Normal retirement contributions do not include amounts voluntarily contributed toward additional civil service annuity benefits.

H. Amounts deducted from salary as normal life insurance premiums including Servicemen's Group Life Insurance (SGLI) and "basic life" Federal Employee's Group Life Insurance (FEGLI). No optional FEGLI or life insurance premium paid by allotment, such as National Service Life Insurance, will be considered normal life insurance premiums.

300207. Amounts Not Deductible When Determining Disposable Pay. The following are amounts which will not be deducted from pay when computing disposable pay.

A. Existing indebtedness being collected for a DoD Component or other federal agency.

B. Court ordered garnishments.

C. Court judgments.

D. Court ordered bankruptcy payments under chapter 13 of the Revised Bankruptcy Act.

E. Voluntary allotments for child support.

F. Union dues deductions.

G. Charity deductions.

H. United States savings bonds deductions.

I. Federal (IRS) tax levies.

J. Savings allotments.

K. Thrift savings.

300208. Determining Undue Financial Hardship. An offset produces undue financial hardship when it prevents debtors' from meeting costs necessarily incurred for essential subsistence expenses for them, their spouses, and their dependents. Essential subsistence expenses include only food, housing, (including public utilities) clothing, transportation, and medical care. In making a final determination whether an offset within the percentage limits of paragraph 300205 of this chapter will impose undue financial hardship, creditor organizations will use the following information.

A. Income from all sources for debtors, their spouses and dependents.

B. The extent to which assets of debtors, their spouses, and their dependents are available to meet the offset and essential subsistence expenses.

C. Whether subsistence expenses have been reduced to minimum essential amounts.

D. The extent to which debtors, and their spouses can borrow money to meet the offset and minimum essential subsistence expenses.

E. The extent to which debtors and their spouses and dependents have other exceptional expenses that should be taken into account and whether the exceptional expenses have been minimized.

300209. Debts for Which Administrative Offset, According to This Regulation, Is Not Authorized. Administrative offset under this Regulation is not authorized with respect to:

A. debts owed by any (United States) federal agency or (United States) state or local government;

B. any case in which collection of the debt involved by administrative offset is explicitly prohibited by statute; or,

C. debts arising under or payments made under the Social Security Act, the Internal Revenue Code, or the tariff laws of the United States.

300210. Authority To Eliminate Second and Third Demand Letters. Availability of a debtor's funds for involuntary salary or administrative offset and a creditor organization's decision to take offset, releases the organization from the second and third debt notification letter requirements of this Regulation.

300211. Salary and Administrative Offsets Before Due Process. Salary, or administrative amounts payable to debtors will be involuntarily offset before initiation of or at any time during due process procedures if: failure to take the offset would substantially prejudice the DoD Component's ability to collect the debt; time before payment must be made does not reasonably permit completion of the procedures; and, such prior offset is promptly followed by due process procedures.

3003 DUE PROCESS

300301. Debtor Notification. Creditor organizations are responsible for providing due process. They will certify completion of due process procedures to the organization making the involuntary salary or administrative offset. In debt cases where due process has previously been provided to debtors, organizations accomplishing offsets will not duplicate the requirements before taking offset. The organization responsible for providing due process must ensure all requirements were met. In debt cases where salary or administrative offset has been taken before completion of due process, the requirements will be met as soon as possible after offset is initiated. Before offset is requested, creditor organizations must be able to demonstrate that debtors have received demand letters and notices of intent to offset. If hand-delivery and execution of a receipt of notice is not possible, certified or registered notices with return receipt requested may be used. Except as provided in paragraph 300211 of this chapter, before salary can be involuntarily offset under

statutes other than 5 U.S.C. 5705 (reference (t)), debtors must be advised of the following in addition to requirements of the initial demand letter as stated in paragraph ? of chapter 29 of this Volume.

A. A minimum of 30-days written notification, if not already provided, of the intent to collect by offset.

B. The right to inspect and copy DoD Component records related to the debt for which the debtor will bear the cost.

C. The amount, frequency, beginning date, and duration of the intended deduction if full payment is not received by the due date.

D. The fact that any amounts paid or deducted for a debt that is later found not owed will be promptly refunded unless there are applicable statutes or regulations to the contrary.

★ E. For salary offset under 5 U.S.C. 5514 (reference (t)), debtors will also be advised of the following:

1. The right to an oral or paper hearing on the DoD Component determination of the existence and amount of the debt or, when a repayment schedule is established other than by written agreement with the debtor, concerning the repayment schedule terms.

2. The right to request a hearing based on written submissions in lieu of an oral hearing when a creditor organization has determined an oral hearing would otherwise be appropriate.

3. The method and time period for requesting a hearing.

4. The fact that the timely filing of a petition for a hearing will stay debt collection proceedings including accrual of interest, penalty, and administrative charges.

5. The fact that the final decision on the hearing will be issued the earlier of 15 days from hearing completion or, unless the creditor agency has arranged an extension with the hearing official, not more than 60 days from the date the debtor submitted the petition.

6. The address to which correspondence regarding the hearing will be sent.

7. The fact that any knowingly false or frivolous statements, representations, or evidence may subject the debtor to: disciplinary procedures appropriate under chapter 75 of Title 5, U.S.C. (reference (t)), or any other applicable statute or regulation; penalties under the False Claims Act, sections 3729 - 3731 of Title 31, U.S.C. (reference (o)), or any other applicable statutory authority; or, criminal penalties under sections 286, 287, 1001, and 1002 of Title 18, U.S.C. (reference (s)), or any other applicable statutory authority.

300302. Hearings. Hearings are a due process requirement of 5 U.S.C. 5514 (reference (t)). Debtors are entitled to petition for hearings to contest debt existence or amount or the amount of an involuntary offset established other than by agreement with the debtor. Except as provided in paragraph 300211 of this chapter, hearings will be offered to debtors before involuntary offset is initiated. Oral hearings are not required if the debt type rarely involves issues of credibility or truthfulness. Creditor organizations will determine when a review of written records (administrative hearing) is sufficient to resolve debt issues. Debtors may elect an administrative hearing in lieu of an oral hearing when a creditor organization determines an oral hearing would otherwise be appropriate.

300303. Administrative Hearings. When debtors petition for hearings and the creditor organization determines an oral hearing is not required, the debt will nevertheless be given an administrative hearing. Administrative hearings will be made by a hearing official who would otherwise be authorized to hold an oral hearing for the debt being contested. Administrative hearings will be based on written submissions of the creditor organization and the debtor.

300304. Documenting Oral Hearings. Creditor organizations and agencies requesting oral hearings by DoD officials are responsible for documenting significant matters discussed at oral hearings held on their behalf.

300305. Authorized Hearing Officials. No DoD employee, except an administrative law judge, under the control or supervision of a DoD

creditor component or DoD employing component will hold an oral hearing or make an administrative hearing on any debt owed that DoD Component by an employee of that DoD Component. DoD personnel eligible to hold oral hearings or make administrative hearings for other DoD Components or federal agencies include grievance and appeals examiners, attorney advisors, judge advocates, and other persons who have been trained in or who have performed hearing officer duties. Hearings for debts owed to DoD Components by its employees should be held by eligible DoD Components according to table 30-1. Individuals not employed by DoD may be employed temporarily or intermittently to act as hearing officials but only when it is impractical to use DoD personnel. Control of DoD debt collection hearings is centralized at DFAS Indianapolis Center. Refer all debtor requests for hearings to the Indianapolis Center for action.

300306. Number of Hearings Authorized. Debtors will be afforded only one opportunity for either an oral hearing or administrative hearing. Hearing officials will hold only one hearing (oral or administrative) for a debt owed a DoD Component or federal agency.

300307. Creditor Organization Hearing Responsibilities. Following are oral and administrative hearing requirements for DoD Component creditor organizations.

A. Upon receipt of a debtor's oral or administrative hearing petition, reexamine debt basis, amount, and repayment schedule.

B. Within 15 days after receiving the petition provide debtors with the following:

1. A statement that the debt has been reconsidered, results of the reconsideration indicating whether the debtor's contentions have been accepted in whole or part, and a request that the debtor accept the reconsideration in lieu of an oral or administrative hearing.

2. Notification of the time, date, and location of the oral hearing to be held if the debtor does not accept results of debt reconsideration and the creditor organization determines that an oral hearing is required.

3. Notification that debt issues will be resolved by administrative hearing if the debtor does not accept results of debt reconsideration and the creditor organization determines an oral hearing is not required.

4. A list of submissions required of the debtor and the address to which submissions must be sent.

C. Also within 15 days after receiving the petition, provide both the debtor and the hearing official with:

1. Copies of debt records in the creditor organization's possession (provided to the debtor only if requested and not previously provided and then at the debtor's expense).

2. A statement supporting determination of debt basis and amount.

3. A statement setting forth reasons why an offset schedule, if being protested, does not create undue financial hardship.

4. For oral hearings, names of creditor organization witnesses and their anticipated statements.

D. For oral hearings, whenever feasible, coordinate a site, time and date convenient for debtors.

E. Creditor organizations will change oral hearings to administrative hearings on request of debtors if such requests are received at least 3 working days before established oral hearing dates and if all submissions will be available to hold the reviews at established times and places. Debtor elected administrative hearings will not be changed to oral hearings.

F. When a debtor accepts results of debt reconsideration, notify the hearing official that the oral or administrative hearing is not required.

300308. Debtor Oral and Administrative Hearing Responsibilities

A. Debtors must indicate, in their initial written response, whether they are contesting debt validity, amount, or offset schedule.

When a creditor organization has determined that an oral hearing is required for a debt, a debtor may petition for an administrative hearing in lieu of the oral hearing. Debtors who petition for administrative hearings (in lieu of an oral hearing) will forfeit their right to an oral hearing and agree to accept the hearing official's decision as final, in writing, at the time of their request. The petition will not be revocable by a debtor.

B. Debtors and their representatives and witnesses are responsible for their expenses incident to inspecting and copying government debt records and attending oral hearings.

C. Debtors forfeit their oral or administrative hearing rights and will have their salaries offset according to established offset schedules if they fail to: file an oral or administrative hearing petition with the creditor organization by the date specified in the offset notification letter; appear on time at a scheduled oral hearing; or, file required submissions with the creditor organization and the hearing official within 3 working days of due dates.

D. During oral and administrative hearings, debtors will not raise any issues not previously raised with the creditor organization nor will they introduce any facts or records not previously submitted to the creditor organization.

E. Debtors who have petitioned for oral or administrative hearings regarding the validity and amount of debts and who do not accept results of debt reconsideration will have 30 days from receipt of notification of reconsideration results or 45 days from receipt of debt records provided under this Regulation, to provide both the creditor organization and the hearing official with:

1. A statement of the reasons why the debtor believes that a creditor organization's determination of the debt validity and amount is clearly erroneous, including all facts on which the debtor bases his or her belief.

2. Copies of any pertinent records the debtor plans to introduce to the oral or administrative hearing process if the records

differ from those provided by the creditor organization.

3. For oral hearings, the name of a representative if the debtor has elected one.

4. For oral hearings, if the debtor will have witnesses, a list of their names and a summary of their anticipated statements.

F. Debtors who have petitioned for oral or administrative hearings regarding salary offset schedules, established other than by agreement with the debtors, and who do not accept results of debt reconsideration will have 30 days from receipt of notification of reconsideration results or 45 days from receipt of debt records provided under this Regulation to provide both the creditor organization and the hearing official with:

1. A proposed alternative salary offset schedule.

2. Specific details on family, including debtor, spouse, and dependents, financial position for the 1-year period preceding and projected for the proposed alternative offset period.

3. A statement of the reasons why the debtor believes the salary offset schedule will impose undue financial hardship.

4. Copies of any pertinent debt records the debtor plans to introduce to the oral or administrative hearing process.

5. For oral hearings, the name of a representative if the debtor has selected one.

6. For oral hearings, if the debtor will have witnesses, a list of their names and a summary of their anticipated statements.

300309. Hearing Official Responsibilities. Oral and administrative hearings will be held according to the following requirements.

A. An oral hearing will consist of an informal conference before a hearing official.

B. Both the creditor component and the debtor will be given full opportunity to present documents, witnesses, and arguments.

C. The only evidence permitted, except oral testimony, will be that submitted as prehearing submissions.

D. Debtors will not raise any issues not previously raised with the creditor DoD Component or non-DoD federal agency.

E. Creditor DoD Components and non-DoD federal agencies will maintain a summary record of oral hearings.

F. A written decision will be provided to both the debtor and creditor DoD Component or other federal agency the earlier of 15 days from oral or administrative hearing completion or, unless the creditor DoD Component or non-DoD federal agency has arranged an extension with the hearing official, 60 days from the date the debtor submitted the oral or administrative hearing petition. Hearing officials will not be responsible for delays caused by DoD Components or non-DoD federal agencies.

G. A hearing official's decision will be final and will discuss basic facts documenting the debt. The decision will include conclusions concerning debt validity, amount, or propriety of contested offset schedules.

H. Hearing officials will review debtors' submissions received not later than 3 working days after the due dates to determine whether debtors forfeited oral or administrative hearing rights. If debtors show good cause, these rights will not be forfeited.

3004 PROCESSING OFFSET REQUESTS FOR ANOTHER DOD COMPONENT OR FEDERAL AGENCY

300401. Determining Debt Validity. Organizations processing offset requests from another DoD Component or non-DoD federal agency are not authorized to determine the merits of debts for which offset is requested.

300402. Debtor Notification. Organizations making salary and administrative offsets for another DoD Component or non-DoD federal

agency will provide debtors with a copy of the debt claim form. If the date salary deductions will begin differs from the date on a debt claim form, debtors will be advised of the date deductions will begin. Debtors will also be advised when collections will be made from administrative (other than salary) amounts.

300403. Reporting Debtor Change of Employing Agency. Creditor DoD Components or non-DoD federal agencies will be notified by the collecting organization when employees, whose debts are being collected by salary or administrative offset, transfer to different paying agencies or terminate federal employment before debts are satisfied. Collecting organizations will certify amounts collected to creditor components or non-DoD federal agencies and provide copies of certifications to debtors. For interagency transfers, originals of the debt claim forms and copies of certifications of amounts collected will be included in debtors' official personnel folders.

300404. Processing Requests From DoD Components. DoD Components will process salary and administrative offset requests received directly from other DoD Components. Authority to confirm a DoD Component's administrative debt determinations is delegated to debtors' servicing disbursing officer. These offset requests must include the following certifications and information.

A. A statement that the debtor has been provided due process including the applicable statutory authority.

B. A DD Form 139, Pay Adjustment Authorization; DD Form 2481, Request for Recovery of Debt Due the United States by Salary Offset; or other authorized or prescribed debt claim form.

C. Details of the debt including the basis, amount, payment due date, and date the debt was due.

300405. Processing Requests From Non-DoD Federal Agencies. The Defense Manpower Data Center has been designated to receive and certify all requests from non-DoD federal agencies for salary and administrative offset against DoD Component employees.

3005 REQUESTING SALARY AND ADMINISTRATIVE OFFSET FROM ANOTHER DOD COMPONENT OR NON-DOD FEDERAL AGENCY

300501. Debt Certification. Organizations requesting salary and administrative offset against a debtor employed by another DoD Component or non-DoD federal agency will send the request directly to the debtor's employing component or agency. Administrative debt determinations will be confirmed by the DoD Component or other federal agency from which offset is requested. Offset requests will be accomplished by sending DD Form 2481 or other authorized or prescribed form to the paying agency.

300502. Debt Certification Waiver. When a debtor consents to salary or administrative offset in writing or signs a statement acknowledging receipt of due process procedures and the writing or statement is attached to the debt claim form sent to the employing agency, debt certification specified in paragraph 300501 above is not required.

300503. Coordinating Offset Requests. The organization requesting offset by another DoD Component or non-DoD federal agency is responsible for coordinating the amount and frequency of installment payments and a date for the first installment if a date different from the next established pay period is required. When the offset is requested from another DoD Component, a copy of the request including the debtor's name, will be sent to the Defense Manpower Data Center.

300504. Collection Upon Interagency Transfer. Organizations that have requested offset by a DoD Component or non-DoD federal agency and later receive notification that a debtor has transferred to another DoD Component or non-DoD federal agency, will ensure the new employing component or agency resumes debt collection.

3006 REQUESTING OFFSET AGAINST AMOUNTS DUE AND PAYABLE FROM THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

300601. When Offset Will Be Requested. When a debtor has already separated and all payments

due from a former employing agency have been paid, DoD creditor organizations will request administrative offset from amounts due and payable from the Civil Service Retirement and Disability Fund. Offset will be requested from lump sum and annuity payments.

★300602. Time Limits. Requests for administrative offset against amounts payable from the Civil Service Retirement and Disability Fund will be made promptly. A request for offset satisfies requirements that offset be initiated before expiration of any applicable statute of limitations. Organizations that are both creditor and paying agency have a maximum of 60 days after a debtor separates or is no longer covered by the civil service retirement system to send to the prescribed debt notice or claim form to the Office of Personnel Management (OPM). When a DoD Component is the creditor agency but not a debtors' paying agency the DoD creditor organization will ensure OPM receives the debt claim or notice before expiration of the applicable statute of limitations and, if a refund is payable to a debtor, before the refund is paid. No other time limits apply for sending debt claims or notices to OPM.

★300603. Notifying OPM To Prevent Lump-Sum Payment. When a DoD Component cannot immediately send to OPM a complete debt claim which would preclude lump-sum payment to a debtor, OPM should be notified of the intent to request offset. Notification will be by made by submitting the claim form prescribed by OPM. If the prescribed form is not available, a separate document identifying the debtor by name, date of birth, social security number, and date of separation, if known, will be used. If a debt notice did not include the debt amount, the requesting DoD Component must establish the amount and notify OPM in writing as soon as possible after submitting the notice.

300604. Follow-Up Submissions for Debt Notices and Incomplete or Incorrect Debt Claims Forms. DoD Components that send debt notices to OPM or receive advice from OPM that a debt claim was either incorrect or incomplete must provide OPM with a complete or corrected debt claim within 120 days. Organizations may request one 60 day extension which must be received by OPM before expiration of the 120 days specified above. OPM will not hold a lump

sum payment more than 180 days awaiting a complete or corrected debt claim. These time limits do not apply to offsets against annuity payments.

300605. OPM Authority To Review Debt Merits. OPM is not authorized to review merits of DoD Components' determinations as to debt validity or amount.

300606. Notice to Debtors. The DoD Component making offset requests will notify debtors when their debts are sent to OPM for offset against the Civil Service Retirement and Disability Fund.

300607. Supporting Documents for Court Judgments. When a debt is supported by a court judgment specifying the debt amount, two certified copies of the court judgment will be sent to OPM with the debt claim.

300608. Debtors' Rights To Offer Repayment Schedules. If at least 1 year has elapsed since an offset request was originally made when a debtor makes a claim for payments against the retirement and disability fund, the debtor will be permitted to offer a repayment schedule to the creditor organization. In making a decision to accept a repayment schedule, the creditor organization will consider the circumstances under which debts remained unpaid before debtors made claims against the fund. To be acceptable, debtors must, as a minimum, establish that financial circumstances would make the offset unjust.

300609. Collection Actions After Referral to OPM. Creditor organizations will pursue debt collection by other means under this Regulation after debts are referred to OPM for offset. If collections are made, OPM will be promptly notified to modify or terminate offset requests.

300610. Minimum Debt Amount Referable. Debts less than \$100 will not be referred to OPM for offset from the Civil Service Retirement and Disability Fund. However, requests for offset of debts in any amount will be sent to OPM if debts were caused by an employee's failure to pay health benefits premiums while in non-pay status or when salary was not sufficient to pay premiums.

300611. Establishing Offset Schedules. If an offset must be made in installments, the organization submitting the request will advise OPM of the number of installments, the amount of each installment, and the date the first installment should be collected.

300612. Maximum Permissible Offset. Involuntary individual offsets are limited by OPM to 25 percent of net annuity for court judgments and 15 percent of net annuity for all other debts.

300613. Court Ordered Refunds. Organizations requesting offsets will certify to OPM that, if competent administrative or judicial authority issues an order directing OPM to pay a debtor an amount previously paid to the creditor organization, the amount will be reimbursed to OPM or paid to the debtor within 15 days of the order date.

300614. Certifications. DoD Components requesting administrative offset against the Civil Service Retirement and Disability Fund will include the following certifications and information:

A. a statement that the debtor owes the debt;

B. a statement that the debtor has been provided due process including the applicable statutory authority;

C. a certified debt claim form if specified by OPM;

D. debt details including basis, amount, payment due date, and date the debt was due;

E. a statement that DoD regulations pertaining to salary offset have been approved by OPM;

F. a statement that applicable statutes, regulations, and procedures required by OPM have been complied with; and

G. two copies of certification of the amount collected and a copy of notice to the debtor that the claim was sent to OPM.

300615. Debts Subject to Specific OPM Regulations. DoD Components will follow specific regulations published by OPM when sending the following debts for OPM offset:

A. debts due because an employee failed to pay health benefits premiums while in non-pay status or when salary was not sufficient to cover premium costs;

B. no more than 6 months of retroactive premiums due because an annuitant elected Part B Medicare coverage; or

C. overpayments of military retired pay that annuitants elected in writing to have withheld from their annuity.

300616. Requesting Offset for Debts Not Otherwise Processed Under This Regulation. DoD Components will comply with the following procedures when requesting OPM offset from the Civil Service Retirement and Disability Fund for debts not otherwise processed under this Regulation:

A. make the certifications required by paragraph 300614 of this chapter;

B. if the offset must be made in installments, advise OPM of the number of installments to be collected, the amount of each installment, and the date the first installment should be collected.

SELECTION OF HEARING OFFICIALS FOR DOD COMPONENT DEBTS (Note 1)			
	COLUMN A	COLUMN B	COLUMN C
R U L E	IF THE CREDITOR COMPONENT IS:	AND THE DEBTOR IS EMPLOYED BY:	THEN OBTAIN HEARING OFFICIAL FROM:
1	DFAS	DFAS	ANY MILITARY DEPARTMENT
2	DFAS/MILITARY DEPARTMENT (Note 2)	MILITARY DEPARTMENT	OTHER MILITARY DEPARTMENT (Note 3)
3	DFAS/MILITARY DEPARTMENT (Note 2)	DFAS	OTHER MILITARY DEPARTMENT (Note 3)
4	MILITARY DEPARTMENT	DFAS	OTHER MILITARY DEPARTMENT (Note 3)
5	MILITARY DEPARTMENT	MILITARY DEPARTMENT	DFAS/OTHER MILITARY DEPARTMENT (Note 3)
6	OTHER DOD COMPONENT	OTHER DOD COMPONENT	DFAS/ANY MILITARY DEPARTMENT
<p>Note 1. Contact DFAS-IN for guidance in cases with circumstances other than those included in this table.</p> <p>Note 2. DFAS and a Military Department are both considered creditor components in situations when one makes payment for another using the other's appropriation. In such a case, neither the paying or employing component can provide the hearing official.</p> <p>Note 3. Other Military Department is any one other than the creditor Military Department identified in Column A as the creditor component.</p>			

Table 30-1. Hearing Officials for DoD Component Debts

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